

# Business Requirements Interview

## Grants, Contracts & Loans Requirements

---

### 1. Introduction

Date: Friday, January 20, 2006

Location: CTED

Attendee	Position	Organization
Marijo Olson	Asst. Dir, Community Svcs Div	CTED
Stephen Buxbaum	Asst. Dir, Housing Div	CTED
Kelley Snyder	Asst. Dir, Public Works Board – all loans	CTED
Sharon Novak	Project Manager	OFM
Carol Baque	Project Manager, Sierra	Sierra Systems
Kreighan McAuliffe	Project Manager, ECY	ECY
Del Hontanosas	Project Manager, CTED	CTED
John Hanson	Enterprise Architect, CTED	CTED

### 2. Notes

CTED has formed a Contracts Excellence Work Group.

Main concerns for a new system are to aid planning, budgeting and accountability.

Stephen cautioned about project scope, which will not include agency receivables: make sure not to re-do Roadmap work and not duplicate lower-level agency work. Many CTED programs, e.g., Housing, Public Works, etc. get loan money back.

Kreighan reminded the group that recording of an A/P transaction in AFRS sets up a receivable.

Resource allocation functionality (money flowing out of CTED to a service provider) is different from contract management functions in these ways:

- Type of money available
- Decision-making process for recipient: eligibility (program guidelines)

- Decision-making criteria/formulas
- Schedule for monitoring
- Results of monitoring
- Money can come back in (e.g., grant is de-obligated, repaid)

Contracts involve managing expenditures and tracking deliverables.

The budget mgt system brings grants and contracts together.

A grant has a lifecycle:

- May or may not need an RFP process
- Risk assessment (required by OMB A87) – organization must meet certain expectations, may be 2<sup>nd</sup> level for subcontractors. State Auditor Generally Accepted Standards and Practices. Could benefit from an interface to federal look-up files and an automatic log of the lookup.
- Set up monitoring schedule. Could be checklist attached to agreement.
- Generate agreement document using boilerplate choices.
- Report and monitor – financials, demographics (especially geographic location), project management. Fiscal interface is critical. Lots of duplication now.
- Close-out. Electronic signatures are needed.

The challenge is linking program-level functions with agency-wide functions. There are 900+ programs providing sub-grants or loans or services (2 divisions). CTED has no field structure; its main business is passing money through. Each Statement of Work is unique. Each program has discretionary differences. A couple dozen differences have to be considered, e.g.:

- The “flavor” of the money: the fund (90-100 are linked to specific RCW)
- Statutory requirements, e.g., amount of money per activity
- Administrative requirements
- Program direction for its specific guidelines
- Format for client information

For example, a Community Development Block Grant is recorded one way in the chart of accounts (object N – pass-through), but the money may encompass many different layers and types of grants and funds. There is no standard way to record a sub-grant.

There are also various degrees of automation for programs. For example, there is a system to support the Early Childhood Education Program (ECAP is a Delphi client server system, written by Beluga Software). There are also numerous spreadsheets and databases.

A useful breakdown would be fund use, based on type of grant (e.g., service, technical assistance, build something, money, contractor), also location and recipient.

Information needed in system includes:

- Fund information: Federal, state, local, private, may include private bank accounts
- Geographic identifiers for actual use – may be more than one place
- Type of use, e.g., technical assistance
- Type of recipient – at least two levels, e.g., municipal/county/private and water/sewer authority
- Recipient(s)
- Risk management data about recipient or contractor: past fiscal or performance problems learned through monitoring
- The grant's POG activities relating to agency goals and value chain. POG goals determined the agency budget this year. There are about 100 activities within CTED's budget.
- Budget info available to program and fiscal staff: type of use of money, especially direct and indirect. Staff must manage direct and indirect costs for all different funds. Cost allocation processes need that info. Make distribution of costs transparent.
- Money spent monitoring grants

Need ability to see grant activity across criteria, e.g., who is servicing vulnerable areas, to project what type of assistance (accelerated monitoring, technical assistance, combining programs, etc.) may work

Kathy Helpen at CTED has done work to consolidate boilerplate items for agreements.

Marijo stressed the importance of alerting agencies to the likely impact on them and the information needed from them to implement a new system.

Marijo also stressed the importance of weighting heavily the ease with which a system can link to other agency systems.

John said the new core system cannot be expected to replace all the grants spreadsheets CTED uses.